

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2788 - SB 3561

February 15, 2012

SUMMARY OF BILL: Requires all persons who construct, install, maintain, and test elevators to be licensed. Requires the Commissioner of Labor and Workforce Development (DLWD) to impose a safety fee on elevator inspections and installations. Requires licenses be renewed biennially and the fee for issuance or renewal be set by the Commissioner.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$62,900

Increase State Expenditures – \$62,700

Assumptions:

- DLWD estimates 200 applicants for mechanic licensing biennially at a fee of \$200. A recurring increase in state revenue of \$20,000 [(200 applicants x \$200 fee) / 2 years].
- DLWD estimates 15 applicants for contractor licensing biennially at a fee of \$600. A recurring increase in state revenue of \$4,500 [(15 applicants x \$600 fee) / 2 years].
- A recurring increase in state revenue of \$8,000 from testing fees for operation (\$400 testing fee x 20 applicants).
- State university elevator maintenance worker certification will be \$350 per year. Approximately 50 workers will be certified. A recurring increase in state revenue of \$17,500 (\$350 fee x 50 workers).
- DLWD estimates penalty revenue of \$12,900 per year for unlicensed workers.
- A total recurring increase in state revenue of \$62,900 (\$20,000 + \$4,500 + \$8,000 + \$17,500 + \$12,900).
- DLWD will require a Labor Standards Inspector. A recurring increase in state expenditures of \$62,675 (\$34,836 salary + \$11,119 benefits + \$14,120 vehicle expenses + \$2,600 supplies).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "L. D. G." followed by a flourish.

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Lucian D. Geise, Executive Director

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